

DM-  
26 June

DEPUTIES' MEETING

Present: Mr. Dulles, General Cabell, Mr. Amory, Colonel White,  
Mr. Kirkpatrick, Mr. Helms (part of meeting), Mr. Barnes,  
Mr. Sheldon, Mr. Kent, [REDACTED]

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MR. DULLES:

a. Noted he had spent a good part of the weekend going over various studies, memoranda, etc., in preparation for the President's Board meeting now scheduled for 30 June and 1 & 2 July, and stated that he needed additional information on the following subjects:

1. A statement on representation allowances;  
Action: Mr. Helms
2. A short memo on all cover arrangements, to include deep cover facilities.
3. A history of our communications setup. Colonel White commented that this is already in preparation. The Director stated it would be useful if this paper included an estimate of our capital investment in communications facilities and also the extent of our communications people are engaged in handling agent traffic. The Director said he is positive the Board will ask him the question,

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[REDACTED]  
there are a number of reasons why such action would not be satisfactory in conducting operations of the Agency, e.g., security, agent traffic, special communications problems in connection with operations such as [REDACTED]

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[REDACTED] In this connection he said it would be helpful to have a piece of paper outlining what we had to do communications wise in conducting Agency activities in [REDACTED]

Action: DD/S

- 2 -

4. What has the Agency done in attempting to obtain changes in the current espionage laws. He noted he had received a memorandum on this subject from the General Counsel but he also wanted an additional memo covering the Official Secrets Act. Action: DD/S and IG.
5. How do we handle intelligence requirements?  
Action: IG and  25X1
6. Upgrading the Board of National Estimates' standing in the intelligence community. The Director said he had been considering ways and means to do this, making it clear that he was not dissatisfied with the Board but he did feel that it should have a higher place in the intelligence community.
7. Recommendations on the way intelligence requirements and priorities are handled. The Director commented he is sure the Board plans to raise this subject and he desired a memorandum on what the situation is now and what should be done to improve it. Action: IG
8. Stated that in future paramilitary-type activities the operators should request an assessment from the Board of National Estimates as to the possible consequences of the activity -- if it succeeds or if it fails. The Director noted his intention of covering this point with the Board and asked the IG to prepare a brief memo.

b. Commented he was impressed by the number of cables indicating unrest in the Soviet Bloc as a result of food shortages and other reasons, and asked for a memorandum containing views as to how this can be exploited. He noted his intention of discussing this item at the next meeting of the Special Group. Action: DD/P

c. Noted he had been considering for some time establishing a special covert operations office  and asked Mr. Helms to furnish him his views. 25X1

d. Noted his intention of sending a cable to the Stations in the countries visited by Ambassador Adlai Stevenson in order to determine

- 3 -

whether or not Stevenson or any of his people were in contact with the Stations during this trip. In this connection the Director stated it would be useful if arrangements can be made for [ ] who accompanied Ambassador Stevenson to come in for a debriefing session. Action: DD/I

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e. Noted he had asked J. C. King for a report of CIA operations in Latin America and commented in all probability it would be sent to the President. He said the report should also include activities in [ ]

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f. Noted a Department of the Army cable regarding the Meo situation and a statement therein that if U. S. support to these people is withdrawn, they stand a good chance of being exterminated by the Communist factions in Laos. The Director said he needed as a matter of urgency a memorandum on our plans for the Meo's, noting the Secretary of Defense had agreed to look into taking over support of these people.

g. Noted a State cable containing further evidence that Soviet diplomats and technicians are leaving Albania and asked what the consequences might be if the U. S. established diplomatic relations with this country. Mr. Sheldon stated that DD/P and OCI have prepared memoranda on this subject which should reach the Director in the immediate future.

h. Noted a memorandum from DD/P concerning reimbursement for some boats used in the Cuban operation, and stated he believed this matter could best be handled by arbitration with [ ] rather than as proposed. Action: Mr. Barnes

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i. In response to a query from the Director, Mr. Helms stated that DD/P is preparing a package paper on Berlin and East Germany.

MR. AMORY:

Noted his concern over the situation in Kuwait and the Director stated he shared these views and noted his intention of speaking to Mr. Kermit Roosevelt.

MR. KENT:

Commented he thought the Navy personnel who were responsible for recovering "the capsule" should receive some sort of an award.

- 4 -

The Director agreed and said he did not see any way possible to give these people a CIA medal. General Cabell suggested that a letter to the Secretary of Defense for the Director's signature, recommending that Defense recognize these men would be appropriate, and undertook to prepare such a letter.

COLONEL WHITE:

a. Reported that the maritime strike is causing a good deal of trouble with regard to transporting our people to and from overseas stations. However, we are doing the best we can and in some cases it may be necessary that travel be performed by air rather than sea.

25X1 b. Reported that he had talked to [ ] 25X1  
[ ] and one of the organizers of the Black Coach Inn. Colonel White said [ ] had assured him that if 25X1  
and when established, the Black Coach Inn would not be a CIA club but, rather, open to the general public -- and in fact, out of 400 applications for membership, only 4 have been received from Agency personnel. Colonel White went on to say that [ ] is the only Agency 25X1  
employee who has anything to do with the management of the inn and, further, in checking with Fairfax County officials, they could find no record of a request for a building permit, sale of land, etc. Colonel White also remarked that insofar as he could determine, the participation of our employees in a club of this nature is legally none of our affair. The Director said that nevertheless if the Black Coach Inn does come into being and is located in close proximity to the new building, certainly if a number of our employees join, it would soon become known as a CIA club, which he did not want. No decision was made. The Director did ask DD/S and the IG to follow this matter and keep him advised. Note: The Black Coach Inn is a proposed eating establishment to be constructed in the vicinity of the new building. It will serve luncheons and dinners and membership will be by invitation only. Members will be allowed to maintain alcoholic beverages in "their lockers" and can be served as is permissible under Virginia law covering private clubs.

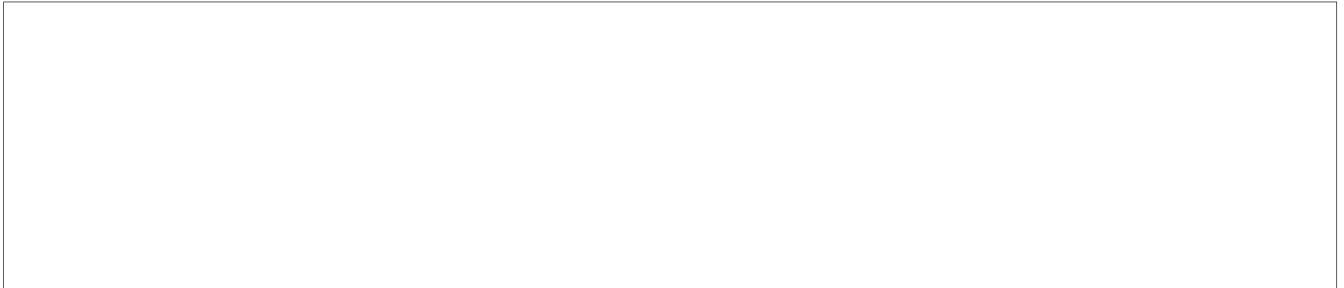
25X1 c. Stated that pursuant to the Director's request, he had talked to [ ] about the purchase of a C-54 on the open market and had been advised that this type aircraft, depending on its mechanical condition, could be obtained from \$80,000-200,000. However, he pointed out to

- 5 -

the Director that the price of the C-54 being furnished  is based on the book value and in fact is coming from CIA stock on hand. General Cabell <sup>for</sup> noted that DPD is working on a plan to charge this aircraft off at the ~~field~~ market value rather than the inflated book value.

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JSE

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